

**KINGSTON HILL ACADEMY
ADVISORY BOARD
MEETING MINUTES
November 26, 2012**

Members Present: Dr. June Groden, Helen Morcos, Dr. John Nazarian, Johnna Bicknell, Debra Deion, Patricia Wisocki, Stephen Panikoff, Rob Raposo, Ann Kuzminsky

Members Absent: Lisa Davis, Ellen Nelson, Lorraine Melillo

Invited Guests: Attorney Christopher Little, Mary Pendergast, Linda Paolillo, Kim Charest, Linda Ollari

The meeting was called to order at 5:05 p.m. Attendees introduced themselves.

Attorney Christopher Little led the discussion regarding the conversion from an Advisory Board to a Board of Trustees, which the actual voting will take place on December 17, 2012. He reviewed the history and mission of KHA, the 2012 Charter Renewal Report, Charter Application, By-laws, Conflict of Interest Policy. Hard copies were provided to all attendees.

The 2012 Charter Renewal Report was very complimentary. In the course of RIDE's site visit, they expressed concerns about the governance of KHA, that the governing body of the school is the board of the Groden Center, which has been the case since the inception of the school. The school contracts with the Groden Center for financial, human resources, information technology and marketing support and pays an annual fee. This arrangement is more cost effective for KHA rather than purchasing these services from an outside provider.

In a letter dated November 15 from David Abbott, Acting Commission of Education at RIDE, three conditions were identified in order for KHA's charter to be renewed:

- 1) The KHA board must comply with Open Meetings Law as a Public Entity
- 2) The KHA board must implement a Conflict of Interest policy and develop a vendor selection and procurement process that follows public purchasing rules; and
- 3) The KHA board must submit the service contract for RIDE's review

KHA provided evidence of meeting the first two conditions. The Groden Center via Attorney Little responded to RIDE that it would be best to change the governance structure of the advisory board of KHA. RIDE agreed to change the advisory board of KHA to an independent Board of Trustees for KHA. The process was undertaken; by-laws were developed and approved by Citizen's Bank and RIDE. A final meeting was held with the Groden Center/KHA Board on November 14, 2012 to make some revisions to the by-laws and to nominate members of the new Board of Trustees for KHA: Johnna Bicknell, Debra Deion, Lisa Davis, Dr. June Groden, Ellen Nelson, Patricia Wisocki, Stephen Panikoff (ex officio), Helen Morcos (ex officio), Lorraine Melillo, Dr. John Nazarian, Rob Raposo, and Ann Kuzminsky. The total number of trustees, either employed by or serving as board members of the Member (the Groden Center) shall not exceed 40% of the composition of the Board of Trustees.

The immediate task of this new Board of Trustees is to indicate their willingness to be a board member. Another meeting of this board is scheduled for December 17, 2012 at which time there will be the election of officers and a review of service contracts between KHA and the Groden Center.

Mary Pendergast, a Special Education Director of the International Charter School and Special Education Director of the Rhode Island School for the Deaf was asked to facilitate the transition and will review the services being provided by the Groden Center and will share her knowledge of other schools and their service needs. The service contract should be transparent, accountable and in the best interest of KHA. We need to submit a compliant service contract between KHA and the Groden Center as approved by the new Board of Trustees to RIDE by December 21, 2012.

Attorney Little reviewed the following binder materials with the board members:

Tab 1 – history and mission of KHA

Tab 2 – May 2012 KHA Charter School Renewal Report, page 40 (Addendum)

Tab 3 – October 2012 letter to RIDE from Attorney Little summarizing the history of KHA (Easter Seals, Ellen Nelson, the Groden Center, Citizen's Bank, etc.)

Tab 7 – November 2012 letter from RIDE – agree with our proposal but still want to see service contracts between KHA and the Groden Center. Need to comply with Rhode Island public procurement laws and be in the best interest of KHA.

Tab 5 – By-Laws that are now in effect, approved by RIDE and Citizens Bank

Dr. Groden explained the four corporations of the Groden Network (Cove, Halcyon, KHA and the Groden Center) and that the Groden Center is able to provide top quality administrative support to all the corporations (finance, human resources, information technology, maintenance and development). Specifically for KHA, because of these shared services at a lower cost, KHA is able to have 2 teachers in each classroom and the children get a high quality education.

The Groden Center floated a tax exempt bond to purchase the land for KHA, which they had to co-sign and put the Groden Center building as collateral for the bond. Therefore, the Groden Center has to have authority over the budget, strategic plans, financial health, and amendments to by-laws. This board cannot adopt a budget that the Groden Center thinks might jeopardize the best interests of KHA. Citizens Bank holds the letter of credit for the tax exempt bond.

Dr. Nazarian asked if Steve Panikoff is a voting member. Attorney Little responded yes.

The number of trustees shall consist of at least 8 members, with a maximum of 21. A quorum is achieved when a majority of trustees then in office are present at the meeting.

Conflict of Interest:

Trustees may be required to recuse themselves if a conflict of interest arises. It is incumbent upon the trustee to state that they have a conflict of interest if a situation so arises. As noted in the conflict of interest policy, a trustee with a conflict of interest may make a presentation at the board meeting, but after the presentation, he or she shall leave the meeting during the discussion of and the vote on the transaction or arrangement involving the possible conflict of interest.

On page 2 of the conflict of interest policy, Item 3d states that "...the Board shall determine by a majority vote of the **disinterested** directors whether the transaction or arrangement is in the organizations best interest..." Example: if there are 12 board members and 4 of them could not vote, the board would need approval from the majority of the remaining 8 members; and there still needs to be a quorum to hold the meeting.

For the December 17 KHA Board of Trustees meeting, there needs to be a minimum of 7 trustees present and there needs to be a majority of 5 disinterested trustees in favor of the service contracts. Dr. Groden expressed the importance of having a quorum at the December 17 meeting.

Trustees shall serve a term of three years from the date of their election. No trustee shall serve more than two consecutive three-year terms. (A trustee can leave for three years and return.)

The Board is required to have six regular meetings during the year.

A majority vote of 2/3 of the trustees at a meeting at which a quorum is present is required to (i) hire and fix the compensation of the Principal; (ii) to approve the budget; and (iii) to appoint an outside auditor.

Presumption of Assent. If a trustee does not openly object on any matter, they are presumed to assent.

Officers of the Board of Trustees shall be a President, one or more VP's, a Secretary, and other officers as may be deemed necessary and appointed by the trustees (Treasurer).

There is a Charter School Planning Committee (CSPC) in place that consists of five members appointed by the President, they serve one year terms, and develop long and short range planning for the Corporation and make recommendations to the Board. The total number of Committee members, either employed by or serving as a board member of the Member shall not exceed 40 percent of the composition of the CSPC.

Attorney Little recommended that Dr. Groden, Chairperson of tonight's meeting, appoint a committee to meet between now and December 17 to decide on officers to propose at the December 17 meeting. June nominated as committee members Steve Panikoff, Helen Morcos, Deb Deion, Ann Kuzminsky and herself.

Checks shall be signed by an officer of the corporation.

In summary, RIDE wants to see the service contract between KHA and the Groden Center by Dec. 21, 2012. It needs to be a clear definition of what is being provided. The Groden Center is not an education services provider. The Trustees are an independent body that determines the service contract is in the best interest of KHA. Disinterested trustees need to understand and agree on what's in the best interest of KHA. Legal services, accounting services, insurance, etc., will be brought before the trustees at a later date. Mary Pendergast will evaluate Groden Center services and will look at two other charters for comparison to give RIDE a reasonableness check.

Dr. Groden noted that the high quality of the Groden Center services provided to KHA can not be measured in numbers. Mary asked for resumes and she will include those in her report. Mary and Helen will meet to define the services, deliverables and expectations. Helen Morcos estimates 5% of KHA budget is paid to the Groden Center for the administrative services. We are using UCOA codes, broken down by line item.

Attorney Little noted that it's important for this board to understand the role of a non profit corporate Board of Trustees especially with this unique structure. Please pay close attention to Tab 3, page 3 of Attorney Little's Oct 2, 2012 letter to RIDE.

Rhode Island Ethics Commission

Members of the Board of Trustees must file disclosure with the R.I. Ethics Commission. If you were not a member of the board in December of 2011, you do not need to file. Members should receive notices in the mail from the Ethics Commission once you are on a board. We will need to notify the Ethics Commission that there is a new board in place. For the past year, the Advisory Board Members have no requirement.

Dr. Groden asked the approval of the board members to vote on officers and review the service contract at the next meeting scheduled for December 17. She also asked to postpone tonight's remaining agenda items to the next meeting. All members approved.

Steve Panikoff proposed that the nominating committee meet directly after this meeting's adjournment to develop a list of proposed officers to be voted upon at the meeting on December 17.

The members agreed to hold the next meeting on December 17. Attendees should be prepared to stay late; dinner will be served.

Steve P./Linda O. will distribute names and contact information with all trustees.

Helen Morcos motioned to adjourn. Ann Kuzminsky seconded the motion. Meeting was adjourned at 6:45pm.

Next Meeting: December 17, 2012

Submitted By: Steve Panikoff